

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress ¹**

[Date approved: August 2, 2006]²

Bill No. and sponsor: S. 2623 (Mr. George V. Voinovich of Ohio and Mr. Mike DeWine of Ohio).

Proponent name, location: Noveon Inc., Cleveland, OH.

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):³

2-Oxepanone, polymer with aziridine and tetrahydro-2H-pyran-2-one, dodecanoate ester, 40 percent solution in N-butyl acetate (provided for in subheading 3208.90.00).

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject product is a 40 percent polymer acid salt/polymer amide dissolved in 60 percent n-butyl acetate. It is used to disperse organic and inorganic pigments into solvent based industrial paints. The subject product is imported from the United Kingdom.

Estimated effect on customs revenue:

HTS subheading: <u>3208.90.00</u>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty					
Col. 1-General rate of duty	3.2%	3.2%	3.2%	3.2%	3.2%
Estimated value <i>dutiable</i> imports	\$770,000	\$1,200,000	\$1,400,000	\$1,800,000	\$2,000,000
Customs revenue loss 1/	\$24,640	\$38,400	\$44,800	\$57,600	\$64,000

1/ The estimated Customs revenue loss in 2006 results from the temporary duty suspension under HTS heading 9902.03.22 that expires on December 31, 2006.

Source of estimated dutiable import data: Commission and industry estimates.

¹ Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ The subject product is eligible for a temporary duty suspension under HTS 9902.03.22 that expires on December 31, 2006.

109TH CONGRESS
2D SESSION

S. 2623

To suspend temporarily the duty on 40% Polymer acid salt/polymer amide
60% butyl acetate.

IN THE SENATE OF THE UNITED STATES

APRIL 24, 2006

Mr. VOINOVICH (for himself and Mr. DEWINE) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on 40% Polymer acid salt/
polymer amide 60% butyl acetate.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. 40% POLYMER ACID SALT/POLYMER AMIDE 60%**

4 **BUTYL ACETATE.**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of
6 the Harmonized Tariff Schedule of the United States is
7 amended by inserting in numerical sequence the following
8 new heading:

“	9902.29.32	40% Polymer acid salt/polymer amide 60% butyl acetate (CAS Nos. P-98-288 and 123-86-4) (provided for in subheading 3208.90.00) ..	Free	No change	No change	On or before 12/31/2009	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Noveon Inc. (Proponent) Mr. Mike Gill, 202-508-8843 Mr. Alex Schaefer, 202-624-2773	05/05/2006	No	No	No
BASF Corporation Mr. Greg Thies, 703-255-7141	05/31/2006	No	No	No
Bayer Corporation Ms. Karen Niedermeyer, 412-777-2058	05/31/2006	No	No	No
Clariant Corporation Mr. Andrew Zamoyski, 202- 415-9159	05/31/2006	No	No	No
Dow Chemical Company Ms. Lisa Schroeter, 202-429-3400	05/31/2006	No	No	No
DuPont Ms. Elaine Olsen, 302-992-2263	05/31/2006	No	No	No
Efficient Global Trade, Inc. Mr. Henry Stobenau, 215-628-4919	05/31/2006	No	No	No
LANXESS Corporation Ms. Jamie Schaeffer, 412-809-3666	06/02/2006	No	No	No

Technical comments:⁴

The Commission suggests that the bill be re-drafted as an extension of the existing duty suspension for this chemical under HTS heading 9902.03.22. The suspension of duty on this product may be extended by striking the existing effective date and inserting "12/31/2009" in lieu thereof.

⁴ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.